Supreme Court, U.S.
FILED

No. 03-563

OCT 9 2003

OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

ALAN WANER,

Petitioner,

v.

FORD MOTOR COMPANY,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

JAY C. SHULTZ
Counsel of Record
ROBERT GUSINSKY
LYNN, JACKSON, SHULTZ & LEBRUN, P.C.
Attorneys for Petitioner
909 St. Joseph Street
Rapid City, South Dakota 57709
(605) 342-2592

183419

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

QUESTIONS PRESENTED

1. When all federal and state courts follow a standard of review in cases involving "mixed questions" of law and fact under which ultimate questions of law are reviewed *de novo* and questions of fact are reviewed for clear error, and when Rule 52(a) of the Federal Rules of Civil Procedure compels appellate deference to factual findings by the District Court, is the Federal Circuit exceeding its authority in reviewing all aspects of patent claim construction *de novo*, even on matters that involve questions of fact, such as the meaning of technical terms of art that cannot be interpreted correctly without extrinsic evidence such as expert testimony and other evidence bearing on how a person skilled in the relevant art would construe the term as is required by 35 U.S.C. § 112?

2. Was Waner deprived of his right to a jury trial guaranteed by the Seventh Amendment as well as the Fifth Amendment to the United States Constitution when the Federal Circuit construed the patent claims differently than the District Court, but failed to remand for a jury trial on infringement, thus depriving Waner of the opportunity to present evidence of infringement based on the Federal Circuit's claim construction?

3. Was Waner deprived of due process as guaranteed by the Fifth Amendment when the Federal Circuit refused to allow his state law claim of unjust enrichment to proceed, consistent with its holding in *The University of Colorado Foundation, Inc. v. American Cyanamid Co.*, 163 F.3d 1366 (Fed. Cir. 1999) and applicable state law?

TABLE OF CONTENTS

	Page
Questions Presented	i
Table of Contents	ii
Table of Cited Authorities	iv
Table of Appendices	viii
Opinion Below	1
Statement of Jurisdiction	1
Constitutional and Statutory Provisions Involved	1
Statement of the Case	5
A. Technological Background	5
B. Procedural History	6
Reasons for Granting the Petition	8
I. Certiorari Should Be Granted To Address The *De Novo* Scope Of Review Announced In *Cybor*.	10
A. The Scope Of Review Is An Extremely Important Issue In Patent Cases.	10
B. The Power of Review that the Federal Circuit Granted to Itself in *Cybor* Conflicts with Well-Established Law Governing Appellate Standards of Review in Federal and State Courts.	15

Contents

Page

II. Not Remanding The Case For Further Proceedings Consistent With The Federal Circuit's Claim Construction Deprives Waner From His Right To A Jury Trial And Due Process. 18

III. Certiorari Should Be Granted Because the District Court And The Federal Circuit Misapplied South Dakota Law. 19

Conclusion 23

TABLE OF AUTHORITIES

Page

Cases:

Bose Corp. v. Consumers Union of United States, Inc., 466 U.S. 485 (1984) 15

Control Resources, Inc. v. Delta Elecs., Inc., 133 F. Supp. 2d 121 (D. Mass. 2001) 13

Cybor Corp. v. FAS Technologies, Inc., 138 F.3d 1448 (Fed. Cir. 1998) (en banc) ..... *passim*

Daktronics v. McAfee, 599 N.W.2d 358 (S.D. 1999) 8, 10, 20, 21

DCB Constr. Co. v. Central City Dev. Co., 965 P.2d 115 (Colo. 1998) 22

Dennison Mfg. Co. v. Panduit Corp., 475 U.S. 809 (1987) 9, 14

Exxon Chemical Patents, Inc. v. Lubrizol Corp., 64 F.3d 1553 (Fed. Cir. 1995) 18

Gasperini v. Center for Humanities, 518 U.S. 415 (1996) 11

Lucas Aerospace, Ltd. v. Unison Industries, L.P., 890 F. Supp. 329 (D. Del. 1995) 17

Mack v. Mack, 613 N.W.2d 64 (S.D. 2000) 20

Cited Authorities

Page

Markman v. Westview Instrs., Inc., 52 F.3d 967 (Fed. Cir. 1995) 11, 14, 16-17

Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) ..... *passim*

Miller v. Fenton, 474 U.S. 104 (1985) 11, 15

New York Times Co. v. Sullivan, 376 U.S. 254 (1964) 15

Ornelas v. United States, 517 U.S. 690 (1996) 15

Parker v. Western Dakota Insurors, 605 N.W.2d 181 (S.D. 2000) 20

The University of Colorado Foundation, Inc. v. American Cyanamid Co., 163 F.3d 1366 (Fed. Cir. 1999) ..... i, 22

Cited Authorities

Page

United States Constitution:

Fifth Amendment ..... i, 1, 9, 23

Seventh Amendment ..... i, 1, 2, 8, 9, 23

Statutes:

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1331 6

28 U.S.C. § 1338 6

35 U.S.C. § 112 ..... *passim*

35 U.S.C. § 271 *et seq.* 6

35 U.S.C. § 285 7

Rules:

Fed. R. Civ. P. 52(a) ..... *passim*

U.S. Sup. Ct. R. 10(a) 8

U.S. Sup. Ct. R. 10(c) 8

Cited Authorities

Page

Publications:

John Duffy, "Patent Law and Policy Symposium: Re-Engineering Patent Law: The Challenge of New Technologies: Part I: Administrative Law Issues: On Improving the Legal Process of Claim Interpretation: Administrative Alternatives," 2 Wash. U. J.L. & Pol'y 109 (2000) 14

Donald R. Dunner & Howard A. Kwon, "Cybor Corp v. FAS Technologies: The Final Say on Appellate Review of Claim Construction?," 80 J. Pat. & Trademark Off. Soc'y 481 (1998) 14

Ted D. Lee & Michelle Evans, "The Charade: Trying a Patent Case to All 'Three' Juries," 8 Tex. Intell. Prop. L.J. 1 (1999) 14

William C. Rooklidge & Matthew F. Weil, "Judicial Hyperactivity: The Federal Circuit's Discomfort with Its Appellate Role," 15 Berkeley Tech. L.J. 725 (2000) 14

TABLE OF APPENDICES

Page

Appendix A — Opinion Of The United States Court Of Appeals For The Federal Circuit Decided June 4, 2003 ..... 1a

Appendix B — Memorandum Opinion And Order Construing Claim Of The United States District Court For The District Of South Dakota, Western Division Dated And Filed August 30, 2000 .... 21a

Appendix C — Order Of The United States Court Of Appeals For The Federal Circuit Denying Petition For Rehearing Dated And Filed July 11, 2003 ..... 42a

Appendix D — Jury Instruction: Infringement Under The Doctrine Of Equivalents 44a

Alan Waner hereby respectfully petitions for a writ of certiorari to review the decision of the United States Court of Appeals for the Federal Circuit in this case.

OPINION BELOW

The Federal Circuit's decision affirming-in-part and reversing-in-part (Appendix to Petition ("App.") 1a-20a) is reported at 331 F.3d 851. The District Court opinion relating to the issues presented and reviewed by the Federal Circuit (App. 21a-41a) are unreported.

STATEMENT OF JURISDICTION

The Federal Circuit entered its opinion and judgment on June 4, 2003. (App. 1a) and the Federal Circuit denied Waner's combined petition for rehearing or hearing en banc on July 11, 2003. (App. 42a-43a). This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This petition for a writ of certiorari raises issues regarding the Due Process Clause of the Fifth Amendment to the United States Constitution, the Seventh Amendment to the United States Constitution, 35 U.S.C. § 112, as well as Rule 52(a) of the Federal Rules of Civil Procedure.

The Fifth Amendment to the United States Constitution (with the Due Process Clause italicized) states:

> No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except

> in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, *nor be deprived of life, liberty, or property, without due process of law;* nor shall private property be taken for public use, without just compensation.

The Seventh Amendment to the United States Constitution states:

> In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

35 U.S.C. § 112 states:

> **35 U.S.C. § 112: Specification.**
>
> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

Rule 52(a) of the Federal Rules of Civil Procedure states:

Rule 52. Findings by the Court; Judgment on Partial Findings

(a) Effect. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. It will be sufficient if the findings of fact and conclusions of law are stated orally and recorded in open court following the close of the evidence or appear in an opinion or memorandum of decision filed by the court. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 12 or 56 or any other motion except as provided in subdivision (c) of this rule.

STATEMENT OF THE CASE

A. Technological Background

Alan Waner ("Waner") is the owner of United States Patent No. 5,613,710 relating to liners designed to protect the rear fenders of Ford F-350 duallies against star cracking. Waner came up with the liner idea when he was working as a hoof trimmer for dairy cattle. As a hoof trimmer, Waner traveled from farm to farm using Ford F-350 duallies. Over a period of twelve years, Waner owned four Ford F-350 duallies. Waner discovered about a week after purchasing each new Ford F-350, the rear fenders began experiencing star crack problems. The Federal Circuit accurately described star cracking: "When driving on dirt and gravel roads, dually tires can pick up rocks which strike the inner surface of the fenders. This can cause cracking in the paint on the outer surface of epoxy-fiberglass fenders. Such cracks are in the form of a star and are often called 'star cracks.'" (App. 2a).

Waner began looking for solutions to the star crack problem. He found that other than a few heavy coats of undercoating, at best a temporary fix, there was no method or device to prevent the star crack problem. Waner also discovered that the star crack problem was wide spread.

Since there was no solution to the star crack problem experienced by Ford F-350 duallies, Waner invented a simple, but ingenious liner that would protect the fender and would also mount using existing attach points on the fender as well as on the truck. Ford's infringing liner is adapted to attach using the same attach points as Waner's liner.

B. Procedural History

In June 1998, Waner brought a suit in the United States District Court for South Dakota against respondent Ford Motor Co. charging that Ford's liner for its F-350 dually infringes the '710 patent. Waner also brought a state law claim for unjust enrichment. The claims arose under 35 U.S.C. § 271 *et seq.* and were subject to federal jurisdiction under 28 U.S.C. §§ 1331 and 1338.

The District Court held a *Markman* hearing on August 3, 2000. (App. 21a). Of particular relevance to this Petition was the meaning of the word "flange" used in the patent claims. At the hearing, the Court heard testimony from expert witnesses. Dr. Alan McDonald[1] testified as an expert for Waner. (App. 31a). David Jeshurun, a Ford engineer, testified on behalf of Ford. In addition, the District Court took note of a technical dictionary definition of the word "flange." Following the hearing, the District Court issued its opinion construing claims 1 and 4 of the '710 patent on August 30, 2000. (App. 21a-41a). Specifically, with respect to the meaning of the word "flange," the District Court found "that the intrinsic evidence is insufficient to establish clear meaning of the asserted claim and will consider the extrinsic evidence presented." (App. 32a). Dr. McDonald testified as one with ordinary skill in the art that a "flange is the portion of a structure to either stiffen or attach it to another structure, not necessarily requiring angles." *Id.* The District Court agreed with Dr. McDonald's definition and found additional support in technical dictionaries. (App. 32a-33a).

---

1. Dr. McDonald has a Ph.D in mechanical engineering and has taught mechanical engineering at Purdue University from 1967 through 1999. In addition, Dr. McDonald is a registered professional engineer.

Prior to the trial, the District Court dismissed Waner's claim for unjust enrichment on summary judgment holding that Waner failed to maintain his idea in secrecy.

The case was tried to a jury during July 2001. The jury, amongst others, was instructed on infringement under the doctrine of equivalents. (App. 44a-46a). The jury found Waner's patent to be valid and infringed. The jury also found damages amounting to approximately a 12% royalty. (App. 15a). Following the trial, the District Court found the case to be exceptional due to Ford's litigation misconduct under 35 U.S.C. § 285. (App. 13a).

Ford appealed to the Federal Circuit, which issued an opinion on June 4, 2003, reversing the jury's finding of infringement and affirming the District Court's summary judgment dismissal of Waner's unjust enrichment claim. (App. 1a-20a). Circuit Judge Newman filed a vigorous dissent wanting to affirm the jury's finding of infringement and reverse the District Court's dismissal of Waner's unjust enrichment claim. While admitting that extrinsic evidence is required to construe the word "flange," the Federal Circuit gave no deference to the District Court's factual findings regarding the technical meaning of the word "flange," and instead construed the word "flange" by relying on general dictionary definitions and drawing from them conclusions that are not supported by those skilled in the art. Having construed the word "flange" differently than the District Court, the Federal Circuit leaped to the unsupported conclusion that there was insufficient evidence presented at trial to support infringement with the newly defined word "flange." Thus the Federal Circuit did not remand this issue to the District Court for a new trial using the Federal Circuit's definition of the word "flange."

With respect to Waner's unjust enrichment claim, the Federal Circuit held that South Dakota law as set forth in *Daktronics v. McAfee*, 599 N.W.2d 358 (S.D. 1999) does not provide for this cause of action absent a trade secret theory.

REASONS FOR GRANTING THE PETITION

In *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996) ("*Markman II*"), this Court held that the construction of patent claims is exclusively within the province of judges and admits of no role for juries. But that decision involved the allocation of decision-making authority as between judge and jury under the Seventh Amendment. This case, by contrast, involves the review of a federal District Court decision following a fact hearing on claim construction and the allocation of decision-making authority as between the District Courts and the Federal Circuit. It is especially noteworthy that there is no dispute that intrinsic evidence was not sufficient to construe the word "flange" found in claims 1 and 4 of the '710 patent.

By this petition, Waner presents three issues that merit this Court's attention under Supreme Court Rules 10(a) and 10(c). First, the Court should grant certiorari to decide whether findings of fact foundational to the ultimate legal determination of patent claim meaning are entitled to deference under 35 U.S.C. § 112 and Rule 52(a) of the Federal Rules of Civil Procedure. In *Markman II*, this Court described claim construction as a "mongrel practice" that falls somewhere between a pure legal ruling and a finding of historical fact. 517 U.S. at 378. In *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998) (en banc), a sharply divided Federal Circuit interpreted *Markman II* to allow *de novo* decision of all claim construction issues on appeal, including issues of fact. Courts throughout

this country, state and federal, follow a two-tiered approach to appellate review of "mixed questions" under which the ultimate legal question is reviewed *de novo*, while subsidiary questions of fact are reviewed for clear error. The rule in *Cybor* conflicts with this universally followed two-tiered standard. This Court has reversed the Federal Circuit before for failing to adhere to the dictates of Rule 52(a), *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1987), and it should do so again here.

Second, the Court should grant certiorari to decide whether the Federal Circuit denied Waner's right to a jury trial and Due Process guaranteed by the Seventh and Fifth Amendments to the United States Constitution when it failed to remand the case for trial using the Federal Circuit's claim construction, assuming *arguendo* that the Federal Circuit's claim construction is correct. It is undisputed that the Courts are vested with authority to direct a verdict when at the close of trial, no evidence supporting a claim is presented. However, this case is different. The evidence presented at trial is based on the District Court's claim construction. While the Federal Circuit disagrees with the District Court's claim construction, the Federal Circuit can not assume that the evidence presented at trial using the Federal Circuit's claim construction is the same as that using the District Court's. Therefore, when there is a different claim construction by the Federal Circuit, the case should be remanded for further proceedings, thereby allowing the losing party an opportunity to be heard. Having stated the constitutional basis for this writ, Waner respectfully submits that in this case, even using the Federal Circuit's claim construction, there was sufficient evidence to support infringement under the doctrine of equivalents.

Third, the Court should grant certiorari because the District Court and the Federal Circuit both misconstrued South Dakota

law as pronounced in *Daktronics v. McAfee*, 599 N.W.2d 358 (S.D. 1999). As Judge Newman explained in her dissent, South Dakota does allow claims of unjust enrichment as was brought by Waner. There is no dispute that Waner had sufficient facts to support a claim for unjust enrichment.

I. Certiorari Should Be Granted To Address The *De Novo* Scope Of Review Announced In *Cybor*.

A. The Scope Of Review Is An Extremely Important Issue In Patent Cases.

In *Markman II*, the Court held that "the construction of a patent, including terms of art within the claim, is exclusively within the province of the court." 517 U.S. at 372. The Court expressly declined to base its holding — that claim construction "is an issue for the judge, not the jury," *Id.* at 391 — on the rationale, relied on by the Federal Circuit, that claim construction does not require findings of fact. *Id.* at 384 n.10

> We need not decide either the extent to which the Seventh Amendment can be said to have crystallized a law/fact distinction, [citations], or whether post-1791 precedent classifying an issue as one of fact would trigger the protections of the Seventh Amendment if (unlike in this case) there were no more specific reason for the decision.

Although this Court did not decide whether claim construction sometimes involves questions of fact, it several times suggested that claim construction must sometimes include fact questions. For example, this Court described claim construction as a "mongrel practice" that can involve "construing a term of art following the receipt of evidence."

Id. at 378. This Court further suggested that claim construction "falls somewhere between a pristine legal standard and a simple historical fact." *Id.* at 388 (quoting *Miller v. Fenton*, 474 U.S. 104, 114 (1985)).[2]

For many years, this unresolved issue was the subject of a sharp split in Federal Circuit case law. There were two substantial lines of authority — one that held that claim construction may require resolution of underlying factual disputes, *see Markman v. Westview Instrs., Inc.*, 52 F.3d 967, 976- 77 (Fed. Cir. 1995) (*en banc*) ("*Markman I*") (citing cases), and a second line of authority that held that claim construction is strictly a matter of law reviewed without deference, *Id.* at 976, 977 (citing cases). The Federal Circuit sought to resolve the split in *Markman I*, adopting the line of precedent that viewed claim construction as strictly a matter of law reviewed de novo on appeal. *Id.* at 979.[3] Uncertainty resurfaced following this Court's decision in *Markman II*, which affirmed *Markman I* but did not address the applicable standard of review. In an effort to put the

2. In the same year in which *Markman II* was decided, Justice Stevens expressly classified *Markman II* as a case involving "mixed questions of law and fact." *Gasperini v. Center for Humanities*, 518 U.S. 415, 443 (1996) (Stevens, J., dissenting). Justice Stevens noted that, where such mixed questions are at issue, appellate courts must "construe all record inferences in favor of the factfinder's decision and then . . . determine whether, on the facts as found below, the legal standard has been met." *Id.* (emphasis added, citations omitted).

3. Judge (now Chief Judge) Mayer, though concurring in the judgment, stated that the Federal Circuit's "revisionist reading of precedent to loose claim interpretation from its factual foundations will have profoundly negative consequences." *Id.* at 990 (Mayer, J., concurring in judgment); *see also id.* at 998 (Rader, J., concurring in judgment); *id.* at 999, 1008-10 (Newman, J., dissenting).

question to rest, the Federal Circuit, sitting *en banc* in *Cybor*, ruled that claim construction rulings are subject to de novo review on appeal in all respects, whether or not they are grounded on findings of fact. 138 F.3d at 1456.

Three judges in *Cybor* concurred in the judgment while stating sharp disagreement with the majority's decision to adopt a pure de novo review standard. Chief Judge Mayer pointed out that that standard takes the Federal Circuit beyond the traditional role of a court of review, *Id.* at 1463-64, and "deprives the parties of important substantive and procedural mechanisms provided in the trial courts," *Id.* at 1464; Judge Rader pointed out that *Cybor* destroys the promise of increased uniformity offered by *Markman II* and has the perverse effect of creating more instability, not less, because "a *de novo* review of claim interpretations . . . postpone[s] the point of certainty to the end of the litigation process, at which point, of course, the outcome is certain anyway," *Id.* at 1476; and Judge Newman pointed out that the "unpredictability in administration of the law of patent claiming [created by *de novo* review] . . . add[s] a sporting element to our bench," *Id.* at 1479, by increasing incentives for appeals and devaluing what occurred in the District Court.

Even those judges concurring in the *de novo* approach had some reservations. Judge Plager stated: "Though we review that record *de novo*, meaning without applying a formally deferential standard of review, common sense dictates that the trial judge's view will carry weight." *Cybor*, 138 F.3d 1448, 1462. Judge Plager recognizes the value of the District Court's fact finding purpose in evaluating extrinsic evidence, including experts who are skilled in the art. After all, 35 U.S.C. § 112 requires that the patent claims be construed by one skilled in the art. Not certain that the

Federal Circuit's approach in *Cybor* will prove fruitful, Judge Plager concludes by stating:

> The decision today should help institute a simplified and clarified method by which both trial and appellate courts address claim construction issues, pursuant to the rules established in this court's *Markman I* opinion. Our purpose is to improve the process of patent infringement litigation for the benefit of patentees and their competitors, and ultimately the public. Whether this approach to patent litigation will in the long run prove beneficial remains to be seen. There is every reason to believe it will, and certainly to believe it is better than what we had. *But it may be some time before we have enough experience with "Markman hearings" and with appellate review under the new regime to draw any empirically sound conclusions.* In such circumstances there is much to be said for refraining from premature and argumentative judgments about what it all means, and for allowing sufficient time to actually see how it works. *Id.* at 1463 (emphasis added).

Waner respectfully submits that it is time to rethink the regimen set forth in *Cybor*.

The *Cybor* decision may have settled the issue within the Federal Circuit, but today, more than five years later, *Cybor* remains the subject of sharp criticism, from the trial bench,[4] veteran practitioners in the field of patent

4. *See, e.g., Control Resources, Inc. v. Delta Elecs., Inc.*, 133 F. Supp. 2d 121, 123 (D. Mass. 2001).

litigation,[5] and legal academe.[6] Given the centrality of claim construction to patent litigation following *Markman I*, reversal of the Federal Circuit's *Cybor* decision would promote certainty and finality in patent litigation,[7] and discourage the steadily increasing volume of appeals to the Federal Circuit. This Court has reversed the Federal Circuit before for failing to give due regard to District Court findings on review of mixed questions of fact and law. *See Dennison Mfg. Co. v. Panduit Corp*,. 475 U.S. 809 (1987) (Federal Circuit must adhere to Rule 52(a) when reviewing subsidiary findings of fact in obviousness determination). The Court should take this occasion once again to ensure that the Federal Circuit gives proper deference to District Court findings of fact when reviewing mixed questions.

---

5. *See, e.g.*, William C. Rooklidge & Matthew F. Weil, "Judicial Hyperactivity: The Federal Circuit's Discomfort with Its Appellate Role," 15 Berkeley Tech. L.J. 725 (2000); Donald R. Dunner & Howard A. Kwon, "Cybor Corp v. FAS Technologies: The Final Say on Appellate Review of Claim Construction?," 80 J. Pat. & Trademark Off. Soc'y 481 (1998) (calling for a grant of certiorari).

6. *See, e.g.*, John Duffy, "Patent Law and Policy Symposium: Re- Engineering Patent Law: The Challenge of New Technologies: Part I: Administrative Law Issues: On Improving the Legal Process of Claim Interpretation: Administrative Alternatives," 2 Wash. U. J.L. & Pol'y 109, 115-20 (2000).

7. The uncertainty in patent litigation created by the high rate of reversals on claim construction issues is notorious. *See* Ted D. Lee & Michelle Evans, "The Charade: Trying a Patent Case to All 'Three' Juries," 8 Tex. Intell. Prop. L.J. 1, 14 (1999).

B. The Power of Review that the Federal Circuit Granted to Itself in *Cybor* Conflicts with Well-Established Law Governing Appellate Standards of Review in Federal and State Courts.

In *Markman II*, this Court emphasized the Federal Circuit's special responsibility to maintain the national uniformity of patent law doctrine. There is only one other area of federal law in which appellate courts undertake *de novo* review of facts on appeal. Where facts are so intertwined with certain questions of constitutional law, this Court has on occasion found that plenary review on appeal is warranted. *See New York Times Co. v. Sullivan*, 376 U.S. 254, 285 (1964); *Ornelas v. United States*, 517 U.S. 690, 697 (1996); *Miller v. Fenton*, 474 U.S. 104, 114 (1985); *Bose Corp. v. Consumers Union of United States, Inc.*, 466 U.S. 485, 502 (1984). Even in that special setting, however, there is broad consensus among the circuits that a two-tiered scope of review applies, with the ultimate legal conclusion subject to *de novo* review while findings of fact are reviewed with deference under Rule 52(a).

This Court also pointed out in *Markman II* that claim interpretation decisions ought to be made by judges, not juries, because of the special training judges have in construing documents. 517 U.S. at 388-89. Contract interpretation is the classic scenario in which common law judges call upon their special training in document construction. With impressive unanimity — all forty-nine states to address the question specifically — state appellate courts review the interpretation of contract documents in the same two-tiered manner that the federal circuit courts do in "constitutional fact" cases. Contract interpretation is a matter of law reviewable *de novo* on appeal where the language at

issue is plain and unambiguous, but where the trial court has gone beyond the four corners of the contract to ascertain drafting intent, findings of fact based on extrinsic evidence are reviewed for clear error.

Unquestionably, given this well-settled body of law, *Cybor* is an aberration. It may be that the Federal Circuit has a special duty to declare the law in patent cases, but every federal appellate court — especially this one — has a special responsibility for law declaration in "constitutional fact" cases, and yet in that setting, findings of historical fact are always reviewed with deference. It may also be that the Federal Circuit is just as well positioned as the District Courts to decide issues of claim construction because both trial and appellate judges have equal access to the textual materials that drive that analysis; but the same may be said of all common law appellate courts in garden-variety contract cases, and yet there findings of fact based on extrinsic evidence are always reviewed under a deferential standard. There is nothing about patent claim construction that justifies the Federal Circuit's departure from this traditional approach to appellate review. In fact, it is more critical in patent cases that the Federal Circuit defer to the District Court when extrinsic evidence is needed, since the District Court is in a far superior position to take evidence from those skilled in the art as is required by 35 U.S.C. § 112.

In the end, the *Cybor* doctrine rests on nothing more than the fiction that District Courts merely take extrinsic evidence into account in some sort of provisional way when construing patent claim language and do not actually find facts. *See* 138 F.3d at 1454 (*quoting Markman I*, 52 F.3d at

981). One experienced District Judge cut to the heart of the problem with this rationale:

> When two expert witnesses testify differently as to the meaning of a technical term, the court embraces the view of one, the other, or neither while construing a patent claim as a manner of law, the court has engaged in weighing evidence and making credibility determinations. If those possessed of a higher commission wish to rely on a cold written record and engage in *de novo* review of all claim constructions, that is their privilege. But when the Federal Circuit Court of Appeals states that the trial court does not do something that the trial judge does and must do to perform the judicial function, that court knowingly enters a land of sophistry and fiction.

Lucas Aerospace, Ltd. v. Unison Industries, L.P., 890 F. Supp. 329, 333 n.7 (D. Del. 1995) (Schwartz, J.).

This case starkly confirms Judge Schwartz's observations in *Lucas Aerospace*. The disputed claim term here — "flange" — is a technical term of art, and under the Federal Circuit's own cases, technical terms must be construed through the eyes of skilled artisans. How a skilled artisan would view the meaning of the word "flange" in a particular context is a question of fact. The application of the patent claim language to the facts, as found, is ultimately a question of law; but there can be no denying that questions of fact are necessary to that ultimate inquiry. Clearly, the District Court recognized this, because it assessed the meaning of flange purely in factual terms and entered a detailed set of findings defining it. (App. 21a-41a). This is not to say that the Federal Circuit

cannot review the meaning of terms *de novo* when the intrinsic record is sufficient. However, in this case, it is undisputed that reliance on extrinsic evidence is required.

If this radical approach to the scope of review of claim construction rulings in patent cases is proper, it raises a serious procedural question that the Federal Circuit has not yet shown an inclination to address, after several years of experience with the *Cybor* doctrine. For example, the Federal Circuit has declined to undertake regular review of *Markman* rulings by interlocutory appeal, an approach that could ameliorate the needless waste of resources entailed by a system in which the trial process has no real finality.

II. Not Remanding The Case For Further Proceedings Consistent With The Federal Circuit's Claim Construction Deprives Waner Of His Right To A Jury Trial And Due Process.

It is beyond dispute that claim construction is perhaps the single most important pre-trial issue in a patent case. The District Court's construction of the claims drives discovery as well as the evidence presented at trial.[8] The plaintiff in a patent case, in an effort to streamline the case, presents evidence relevant to the claims as they are construed. The plaintiff does not present evidence regarding every other possible claim interpretation. In fact, it would be impossible to do so in light of the Federal Circuit's holding in *Exxon Chemical Patents, Inc. v. Lubrizol Corp.*, 64 F.3d 1553 (Fed. Cir. 1995), where the Federal Circuit adopted

8. Arguably, a District Court's claim construction can lead to a speedy resolution of a case if a proper amount of deference can be afforded to the District Court's fact finding as it relates to claim construction.

a claim construction which was not advanced by either party. Arguably, evidence relating to claim construction not adopted by the District Court is inadmissible as not relevant. Therefore, assuming *arguendo* that the Federal Circuit properly construes a claim in manner different than the District Court, the case should be remanded. On remand, the District Court may decide the case on summary judgment if the evidence is insufficient or there is no genuine dispute. However, it is a denial of litigants' right to a jury trial and Due Process for the Federal Circuit to assume that the evidence presented would not have differed in light of the newly construed claims. Therefore, the Federal Circuit can not rely on the settled record for the purposes of a judgment as a matter of law.

III. Certiorari Should Be Granted Because the District Court And The Federal Circuit Misapplied South Dakota Law.

Waner appeals the District Court's dismissal on summary judgment of his claim for usurpment of an idea — unjust enrichment claim. The District Court's dismissal of Waner's unjust enrichment claim was predicated on the undisputed fact that at the time Waner met with Ford's officials to solve their star crack problem with his liner design, Waner had also been selling his solution to others, thereby not keeping his invention confidential. The District Court erroneously concluded that South Dakota's unjust enrichment law requires that Waner not disclose his idea to anyone. *Id.* The Federal Circuit agreed. Waner respectfully submits that the District Court and the Federal Circuit erred in their formulation of the law of unjust enrichment in South Dakota.

Waner's "Usurpment of an Idea" theory is grounded in the principles of quasi contract and unjust enrichment which are recognized causes of action in South Dakota and other jurisdictions. *Mack v. Mack*, 613 N.W.2d 64, 69 (S.D. 2000); *Parker v. Western Dakota Insurors*, 605 N.W.2d 181, 187 (S.D. 2000). Nothing in South Dakota's version of unjust enrichment/quasi contract law excludes intellectual property matters. The South Dakota Supreme Court explained:

> Unjust enrichment is an equitable doctrine. It occurs "when one confers a benefit upon another who accepts or acquiesces in that benefit, making it inequitable to retain that benefit without paying." *Parker v. Western Dakota Insurors, Inc.*, 605 N.W.2d 181, 187 (S.D. 2000). When unjust enrichment is found, the law implies a contract, which requires the defendant to compensate the plaintiff for the value of the benefit conferred. In order to establish unjust enrichment, three elements must be proven: (1) a benefit was received; (2) the recipient was cognizant of that benefit; and (3) the retention of the benefit without reimbursement would unjustly enrich the recipient.

Mack, 613 N.W.2d 64, 69.

In dismissing Waner's unjust enrichment claim, the District Court erroneously relied on *Daktronics, Inc. v. McAfee*, 599 N.W.2d 358 (S.D. 1999). In *Daktronics*, the South Dakota Supreme Court did not address unjust enrichment. Nor did subsequent unjust enrichment cases, *Mack* and *Parker*, cite to *Daktronics* for guidance on unjust enrichment. The South Dakota Supreme Court addressed

three issues in *Daktronics*: Trade Secret claims, *Id.* at 361, Breach of Fiduciary Duty, *Id.* at 363, and Conversion. *Id.* Nowhere in its decision does the South Dakota Supreme Court discuss unjust enrichment. Unjust enrichment is mentioned by the Court as one of the appellant's three issues, *Id.* at 360, but it does not discuss it, other than to state that the Court "considered the other issue raised by appellants, and conclude that it is without merit." *Id.* at 364.

Wâner has set forth sufficient facts to satisfy the requirements of unjust enrichment in South Dakota. In her dissenting opinion, Judge Newman accurately and succinctly set forth the facts in this case:

> The facts as set forth in the majority opinion do not reflect well on the Ford Motor Company. Mr. Waner offered to sell them his idea for fender liners; they were interested; they then told him they were not interested, and proceeded to take his idea and place its embodiment on their vehicles. These facts must be accepted as true for the purposes of summary judgment. Any exculpatory circumstances have not been developed, for the record before us shows simply that Ford took Waner's idea for fender liners, after receiving and evaluating his sample products, and refused to pay for this benefit. If there are mitigating facts favoring Ford (for example, if Ford had already designed and was planning to introduce a similar fender liner, or if Waner had signed a disclaimer of all rights other than patent rights) they do not show on this record. It may be that there are exculpatory circumstances, but that is not the question before us, where the cause was

> summarily dismissed. This is not a case of simply copying an item in the public domain, as in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 109 S. Ct. 971, 103 L. Ed. 2d 118 (1989), on which the panel majority inaptly relies.

(App. 18a-19a). As Judge Newman correctly observes, the Federal Circuit majority opinion recasts Waner's claim as a trade secret case, and then dismisses it because the liner idea was not kept secret. However, Waner's claim was for unjust enrichment, not trade secret.

The majority opinion is further at odds with its own decision in *The University of Colorado Foundation, Inc. v. American Cyanamid Co.*, 163 F.3d 1366 (Fed. Cir. 1999) where the Federal Circuit recognized a state law claim of unjust enrichment in connection with patent rights under Colorado law. Colorado law on unjust enrichment is identical to South Dakota law. *DCB Constr. Co. v. Central City Dev. Co.*, 965 P.2d 115, 119-20 (Colo. 1998).

CONCLUSION

Waner respectfully submits that the issues addressed in *Cybor* should be reviewed by this Court. *Cybor* has dramatically changed the landscape of patent litigation. Instead of streamlining litigation, *Cybor* has had the opposite effect. In any case, *Cybor* and its *de novo* review of factual issues related to claim construction violate Rule 52(a) of the federal Rules of Civil Procedure as well as 35 U.S.C. § 112. Accordingly, Waner respectfully requests that this Court grant Certiorari to review the holding in *Cybor*. The Federal Circuit's denial of Waner's right to a jury trial by granting a JMOL without the opportunity to be heard and on the basis of evidence elicited as a result of the Court's claim construction violates the Fifth and Seventh Amendments of the United States Constitution. Finally, this Court should review the Federal Circuit's impermissible transformation of Waner's unjust enrichment claim into a trade secret claim and its misformulation of South Dakota law.

Respectfully submitted,

JAY C. SHULTZ
Counsel of Record
ROBERT GUSINSKY
LYNN, JACKSON, SHULTZ & LEBRUN, P.C.
Attorneys for Petitioner
909 St. Joseph Street
Rapid City, South Dakota 57709
(605) 342-2592

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JUNE 4, 2003

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

02-1184, -1185

ALAN WANER,

Plaintiff-Cross Appellant,

v.

FORD MOTOR COMPANY,

Defendant-Appellant.

DECIDED: June 4, 2003

Before NEWMAN, *Circuit Judge*, ARCHER, *Senior Circuit Judge*, and MICHEL, *Circuit Judge*.

Opinion for the court filed by *Senior Circuit Judge* ARCHER. Dissenting opinion filed by *Circuit Judge* NEWMAN.

ARCHER, *Senior Circuit Judge*.

DECISION

Ford Motor Company ("Ford") appeals the United States District Court for the District of South Dakota's order denying its motion for judgment as a matter of law that Ford does not

infringe United States Patent No. 5,613,710 ('710 patent). *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Nov. 30, 2001) (Order Denying JMOL). Ford also appeals the award of attorney fees to Waner. *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Nov. 30, 2001) (Order Granting Attorney Fees). Alan Waner ("Waner") cross-appeals the district court's partial summary judgment grant in favor of Ford on Waner's unjust enrichment claim. *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Apr. 4, 2001) (Partial Summary Judgment Order). We reverse the denial of Ford's motion for JMOL on infringement; reverse the award of attorney fees to Waner; and affirm the denial on summary judgment.

BACKGROUND

The '710 patent discloses a fender liner for dual rear wheel trucks, commonly called "dually trucks." Waner designed the claimed fender liner to try and avoid the "star-cracking problem." When driving on dirt and gravel roads, dually tires can pick up rocks which strike the inner surface of the fenders. This can cause cracking in the paint on the outer surface of epoxy-fiberglass fenders. Such cracks are in the form of a star and are often called "star cracks." Ford F-350 dually trucks had fender liners that protected the front and back of the fender but not the top. To remedy this problem, Waner invented a metal liner retrofitted into the fender that protected the top of the fender from star cracks.

Waner sold his first pair of fender liners to Hotze Ford Motor of Salem, Illinois in October of 1994. Realizing that if one Ford dealer was interested in purchasing the fender

liners, others might also be interested, Waner pursued the matter with Ford Motor Company and was ultimately given a contact in Detroit. In early 1995, Waner contacted MacIsaac, a Ford employee, and told him of "his commercial success so far," and, in response, MacIsaac told Waner to get his patent work in order. Waner proceeded to file his application for a patent and send samples to Ford as requested.

Waner also sold fender liners to several Ford dealers and set up an exhibit at a horse show in Springfield, Illinois where "he approached a lot of people" trying to sell them fender liners. During this time, MacIsaac advised Waner that he had been transferred to another division and referred Waner to another Ford employee. Eventually a meeting was set up between Waner and Karlen, a Ford engineer. The two men met for over an hour, and at the conclusion of the meeting, Karlen told Waner that he would present Waner's liner at an upcoming meeting. Eleven days later, Karlen prepared a "concern detail" describing the star crack problem and proposed adding a liner as the solution. About two weeks later, Karlen told Waner that the meeting had been postponed when it had actually taken place. Karlen then informed Waner that he was no longer at liberty to discuss the matter with Waner and referred him to Ford's attorneys. Ford installed over 45,000 pairs of top liners on the 1997 model year F-350 dually trucks. Prior to installation these liners were simply sheets of flat plastic.

Waner sued Ford for "usurpment of an idea"/unjust enrichment and infringement of the '710 patent. Before trial, the district court granted partial summary judgment in favor of Ford on Waner's unjust enrichment claim. The case was

then tried to a jury which returned a verdict of infringement, and the trial court denied Ford's motion for JMOL on the infringement issue. The district court granted Waner's motion to make the case "exceptional" under 35 U.S.C. § 285 and awarded Waner attorney fees.

Ford appeals the denial of JMOL and award of attorney fees. Waner cross-appeals the trial court's partial summary judgment grant in favor of Ford on Waner's unjust enrichment claim. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

Claim Construction

Claim construction is a question of law that this court reviews *de novo*. *See Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456, 46 USPQ2d 1169, 1174 (Fed. Cir. 1998) (en banc). Claims 1 and 4 recite the language at issue, and claim 1 is illustrative:

> 1. A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising
>
> *an elongated flat panel* formed of sheet material with *an inboard side flange, said flat panel*

running substantially the length and the breadth of the flat top and *suited to be installed* inside the fender along the flat top,

said fender liner adapted to be attached to the angled brackets along the inboard side flange of the fender liner by the bolts attaching the fender to the vehicle along the top of the fender

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

The district court interpreted "flange" to mean "the portion of a structure to either stiffen or attach it to another structure, not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles." *Waner v. Ford*, No. 98-5061-KES, slip op. at 10 (D.S.D Aug. 30, 2000) (Claim Construction Order). The court further found "that nothing in [claim 1], the specification, or the prosecution history requires that the flange exist prior to installation of the liner." We disagree with the district court's claim construction.

Claim construction begins with determining the ordinary and customary meaning, if any, that would be attributed to the term by those skilled in the art. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001). Dictionary definitions are useful in this process. *See Boehringer Ingelheim Vetmedica, Inc. v. Schering Plough Corp.*, 320 F.3d 1339, 1346, 65 USPQ2d

1961, 1965 (Fed. Cir. 2003) (citing *Tex. Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1202-03, 64 USPQ2d 1812, 1818-19 (Fed. Cir. 2002)). As this court has explained,

> [b]y examining relevant dictionaries, encyclopedias and treatises to ascertain possible meanings that would have been attributed to the words of the claims by those skilled in the art, and by further utilizing the intrinsic record to select from those possible meanings the one or ones most consistent with the use of the words by the inventor, the full breadth of the limitations intended by the inventor will be more accurately determined and the improper importation of unintended limitations from the written description into the claims will be more easily avoided.

Tex. Digital, 308 F.3d at 1205, 64 USPQ2d 1820.

In this case, the term "flange" is not given a specific meaning in the intrinsic record. However, a dictionary definition is readily available: "flange, n. . . . 1. a raised or projecting edge, rib, or rim for strength, as in a T-rail; for guidance, as on a rail to keep wheels in place; for connection with some other object, as in some pipes; 2. a tool for making flanges." *Webster's New Twentieth Century Dictionary, Unabridged* 696 (2d ed. 1962). The specification and drawings of the '710 patent demonstrate that definition 1 most adequately represents what the inventor intended to claim in his invention. For example, Figures 1-3 illustrate a raised or projecting edge or rim. Further, the patent states "inboard side flange 40 may be integral with flat panel 36

and stiffened by bending it back upon itself. Inboard side flange 40 is preferably at about a 5 degree angle to the plane within which flat panel 36 lies." *See* '710 patent, col. 2, l. 65- col. 3, l. 2. Similarly, when describing an outboard flange the patent explains that the flange runs the length of the panel and is angled downward from the plane of the flat panel. *See id.* at col. 3, ll. 8-12. There is nothing in the patent specification to indicate that the flange is coplanar with the flat panel. Accordingly, we construe the claim term "flange" to mean a raised or projecting edge.

The remaining claim construction dispute concerns whether the flange must exist prior to installation of the fender liner. The claim language itself makes clear that the flange must exist prior to installation. The pertinent part of claim 1 states "said fender liner comprising *an elongated flat panel formed of sheet material with an inboard side flange*, *said flat panel* running substantially the length and breadth of the flat top and *suited to be installed inside the fender* along the flat top." (emphases added). This claim limitation requires "*said* flat panel" be "suited to be installed inside the fender." What panel is "said flat panel"? It is the panel that is formed of sheet material and that has an inboard side flange. Thus, by saying "*said* flat panel," the claim mandates that the panel with the inboard side flange be suited to be installed inside the fender. In other words, the panel must have the inboard side flange prior to installation (that is, without being attached to the fender). The specification and drawings of the '710 patent further support this construction. Figure 2 illustrates a liner (10) having an elongated flat panel (36) with a flange *prior* to its installation in a fender. *See* col. 2, l. 47 – col. 3, l. 13. Indeed, nothing in

the specification or the drawings suggests the flange need not exist prior to installation.[1]

Waner argues that the claim language does not require that the flange exist prior to installation. Waner contends that the "suited to be installed language" refers to the flat panel and not the inboard side flange. However, as we just explained, there is nothing in the claim language, the specification, or the drawings which suggests this interpretation. We therefore find Waner's argument unpersuasive. Accordingly, we hold that the claimed inboard side flange must exist as part of the fender liner prior to installation.

JMOL of Infringement

JMOL may be granted when "a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue." *Thomson, S.A. v. Quixote Corp.*, 166 F.3d 1172, 1174, 49 USPQ2d 1530, 1531 (Fed. Cir. 1999) (quoting *Johns Hopkins Univ. v. Cellpro, Inc.*, 152 F.3d 1342, 1353, 47 USPQ2d 1705, 1713 (Fed. Cir. 1998)); *Jones v. TEK Indus., Inc.*, 319 F.3d 355, 358 (8th Cir. 2003). Our review of the district court's denial of Ford's motion for JMOL is *de novo*, reapplying the JMOL standard. *See id.* Under this standard of review, "we can reverse a denial of a motion for JMOL only if the jury's factual findings are not supported by substantial evidence or if the legal conclusions implied

1. We also note that while the claim language indicates the fender liner is *to be* installed, it need not be installed in a fender and therefore is a pure product claim.

from the jury's verdict cannot in law be supported by those findings." *Id.*; *see also Cybor Corp.*, 138 F.3d at 1454, 46 USPQ2d at 1172; *Warren v. Prejan*, 301 F.3d 893, 900 (8th Cir. 2002) (stating "a denial of a motion for JMOL will be reversed only when the evidence is susceptible to no reasonable interpretation supporting the verdict").

As explained above, the district court erred in its interpretation of the claim language. Under the proper claim construction, in order for Ford's fender liner to infringe, it must have an inboard side flange (a raised or projecting edge) prior to installation within the fender. Because Ford's fender liner is a single, planar sheet prior to installation, it does not have the elongated flat panel with an inboard side flange as claimed. Therefore, we conclude that no reasonable jury could have found that Ford's fender liner infringed the '710 patent. Accordingly, we reverse the district court's denial of JMOL and hold, as a matter of law, that Ford's fender liner does not infringe the '710 patent.

Unjust Enrichment

Waner sought compensation for Ford's alleged usurpment of his fender liner idea prior to the issuance of a patent. Finding that "once Waner sold the fender liners on the market, his invention was published and in the public domain," the district court held that Waner had no protectable property interest in his fender liner and granted partial summary judgment in favor of Ford on Waner's unjust enrichment/usurpment of an idea claim. *Waner v. Ford Motor*

Co., No. 98-5061-KES, Partial Summary Judgment Order at 8. More specifically, the district court found

> [t]here is no dispute that Waner offered his fender liner for sale to Ford dealers and to the public at a horse show in Springfield, Illinois. . . . Waner has not alleged that there was any type of confidentiality agreement or confidential relationship with any of the individual dealers to whom he sold the fender liners and there clearly was no confidential relationship with the general public at the horse show. Once Waner sold the fender liners on the market, his invention was published and in the public domain. His invention was no longer secret.

Id. at 7.

Absent secrecy, state law cannot create a collateral set of rights available as an adjunct or expansion to patent rights. *See Bonito Boats, Inc. v. Thundercraft Boats, Inc.*, 489 U.S. 141, 149 (1989) (stating "[o]nce an inventor has decided to lift the veil of secrecy from his work, he must choose the protection of a federal patent or the dedication of his idea to the public at large"). The Supreme Court of South Dakota[2]

---

2. In its Response Brief, Waner concedes that it had not raised the issue of choice of law below. Accordingly, that issue was waived and we must apply South Dakota law. We note that the dissent cites to *B&M Die Co. v. Ford Motor Co.*, 421 N.W.2d 620, 622 (Mich. App. 1988). Were Michigan case law the applicable law here, this case could have a bearing on the result we reached. As noted, however, it is South Dakota case law that applies.

recently grappled with this issue in *Daktronics v. McAfee*, 599 N.W.2d 358 (S.D. 1999), holding "[i]deas which are not novel and 'are in the public domain may freely be used by anyone with impunity.'" *Id.* at 364 (quoting *Murray v. Nat'l Broad. Co.*, 844 F.2d 988, 993 (2d Cir. 1988)). That case, like the present case, involved an idea (a product displaying speed and type of pitch thrown for the public to view at a ballpark) that was capitalized on by a company after the company was made aware of the idea by the person who apparently thought of it first. The South Dakota Supreme Court ruled that McAfee's unjust enrichment claim failed because there was no protectible property interest in the device, ostensibly because the device was not novel and was in the public domain. *See id.* Thus, if Waner's invention was in the public domain prior to issuance of the patent, he is not protected by state law.

Waner invites us to follow *Mack v. Mack*, 613 N.W.2d 64 (S.D. 2000), and *Parker v. Western Dakota Insurers, Inc.*, 605 N.W.2d 181 (S.D. 2000), which allow recovery on unjust enrichment claims. These cases, however, are inapposite. Unlike *Daktronics*, *Mack* and *Parker* do not deal with an idea or invention. The unjust enrichment claim in Mack revolved around a partnership arrangement gone bad and the question whether one partner should receive compensation for use of his share of the property by the partnership. His property was not an idea as here, but was instead physical objects, including machinery and inventory. In *Parker*, unjust enrichment was one of the theories of recovery claimed by a former employee to collect post-employment renewal commissions from her employer. Thus, neither of these cases remotely touches on the aspect of an idea or inventive concept

which lies at the heart of the present case. Accordingly, we hold *Parker* and *Mack* to be inapplicable to this case and apply the teaching of *Daktronics* that ideas can only be protected under intellectual property law by the patent system.

Because there is no genuine issue of material fact that Waner's fender liner was introduced to and available to the public, we affirm the district court's grant of partial summary judgment on Waner's unjust enrichment claim in favor of Ford.

Attorney Fees

We review *de novo* whether the district court applied the proper legal standard under 35 U.S.C. § 285, and we review the court's factual findings, including whether the case is exceptional, for clear error. *See Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1186, 33 USPQ2d 1823, 1833 (Fed. Cir. 1995). Under 35 U.S.C. § 285, "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285 (2000). A "prevailing party may prove the existence of an exceptional case by showing: inequitable conduct before the PTO; litigation misconduct; vexatious, unjustified, and otherwise bad faith litigation; a frivolous suit or willful infringement." *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1034, 61 USPQ2d 1470, 1479 (Fed. Cir. 2002) (citing *Hoffmann-La Roche Inc. v. Invamed Inc.*, 213 F.3d 1359, 1365, 54 USPQ2d 1846, 1850 (Fed. Cir. 2000)). And "[l]itigation misconduct and unprofessional behavior are relevant to the award of attorney fees, and may suffice, by themselves, to make a case

exceptional." *Id.* (citing *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1574, 38 USPQ2d 1551, 1557-58 (Fed. Cir. 1996)).

The requirements for awarding attorney fees under 35 U.S.C. § 285 are that "(1) the case must be exceptional, (2) the district court may exercise its discretion, (3) the fees must be reasonable, and (4) the fees may be awarded only to the prevailing party." *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1480, 45 USPQ2d 1498, 1504 (Fed. Cir. 1998) (quoting *Machinery Corp. of Am. v. Gullfiber AB*, 774 F.2d 467, 470, 227 USPQ 368, 371 (Fed. Cir. 1985)). Here the district court found that Ford employed a "vexatious litigation strategy" and awarded Waner attorney fees under 35 U.S.C. § 285. Given that we affirm the trial court's grant of partial summary judgment in favor of Ford on Waner's unjust enrichment claim and our holding as a matter of law that Ford's fender liners do not infringe, we must vacate the trial court's award of attorney fees, because Waner does not meet requirement (4) above. Waner is no longer the prevailing party in the issue, and, as such, he is not entitled to receive attorney fees. *See Hensley v. Eckerhart*, 461 U.S. 424, 433 & n. 7 (1933) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fees purposes if they succeed on any significant issue in litigation which achieves some of the benefit the parties sought in bringing suit.").

Appendix A

CONCLUSION

For the foregoing reasons, the district court's grant of partial summary judgment in favor of Ford on Waner's unjust enrichment claim is affirmed; its award of attorney fees to Waner is reversed; and its denial of Ford's JMOL motion of noninfringement is reversed.

AFFIRMED-IN-PART and REVERSED-IN-PART

No costs.

Appendix A

NEWMAN, *Circuit Judge*, dissenting.

I respectfully part company with my colleagues on this panel as to the issues of infringement and unjust enrichment.

I

On the question of infringement, after a thorough trial the jury found infringement and awarded a 12% royalty, upon the district court's construction of the claim to mean that the flange could be made in the fender liner during installation. Although the question is close, the judge correctly construed the claim and a reasonable jury could have found it infringed. With the requisite deference to the trial court and the verdict of the jury, I would affirm the judgment. *See, e.g., Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1235, 9 USPQ2d 1913, 1919 (Fed. Cir. 1989) ("When the judgment arises from a jury verdict, the reviewing court applies the reasonable jury/substantial evidence standard. . . .")

II

Upon the panel majority's reversal of the judgment of infringement, it necessarily reaches the issue of unjust enrichment. However, the majority improperly converts the claim for unjust enrichment into one for theft of trade secrets, and then finds that Waner's proprietary design was not a trade secret. Indeed it was not, for it had been demonstrated publicly. However, it was still proprietary to Waner, and had been shown to Ford for the purpose of interesting Ford in buying it. Waner here asserts equitable rights against Ford, arising from Ford's unjust enrichment through their course of dealing.

A claim for unjust enrichment requires that one party is enriched at the expense of another and that it would be inequitable to permit the party that is enriched, through wrongdoing or breach of commercial ethics, to retain that benefit. *See, e.g., Mack v. Mack*, 613 N.W.2d 64, 69 (S.D. 2000) ("In order to establish unjust enrichment, three elements must be proven: (1) a benefit was received; (2) the recipient was cognizant of that benefit; and (3) the retention of the benefit without reimbursement would unjustly enrich the recipient."); *B & M Die Co. v. Ford Motor Co.*, 421 N.W.2d 620, 622 (Mich. App. 1988) ("The essential elements of such a claim [for unjust enrichment] are (1) receipt of a benefit by the defendant from the plaintiff, and (2) which benefit it is inequitable that the defendant retain.")[1] Under these circumstances, the plaintiff's right to compensation is based on a contract implied in law, not the infringement of intellectual property rights. *See Mack*, 613 N.W.2d at 69 ("When unjust enrichment is found, the law implies a contract, which requires the defendant to compensate the plaintiff for the value of the benefit conferred.")

---

1. These actions are governed by state law, and although I have not considered whether the law of Michigan or South Dakota applies, the requirements for establishing unjust enrichment appear to be essentially the same in both states. Certainly the panel majority's assertion that Mr. Waner might have a cause of action under Michigan law, but not South Dakota law, is hard to square with its reliance on *Bonito Boats*, 489 U.S. 141, which should control equally in both states. Ford did not take this idea from "the public domain;" it took it from Mr. Waner, over a lengthy course of personal dealings that, on Mr. Waner's statement of the facts, were characterized by subterfuge and deception. South Dakota is not more tolerant of injustice than is Michigan.

Waner's complaint included a count for unjust enrichment, based on the actions of Ford in receiving his idea and his samples, telling him that they weren't interested, and then making and selling the product he offered them. It is irrelevant whether the fender liner can be classified as a trade secret, for it is undisputed that Ford's knowledge of it was only through Waner and the sample fender liners he left with them for evaluation. On the facts set forth in the complaint, the premises of a case of unjust enrichment have been made out. Thus summary judgment in favor of Ford was improperly granted. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986) ("The evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor.") (citing *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 158-59 (1970)); *Stark v. Advanced Magnetics, Inc.*, 29 F.3d 1570, 1575-76, 31 USPQ2d 1290, 1294 (Fed. Cir. 1994) (in granting a motion for summary judgment, the non-movant's version of disputed facts must be accepted).

The rules of commerce, indeed the rule of law, are designed both to foster and to require good faith dealings. The courts are not obliged to condone facially unethical relationships by finding technicalities of law that favor the wrongdoer. *United States v. Milligan*, 17 F.3d 177, 184 (6th Cir. 1994) ("This court, however, can not condone defrauding hospitals with policies sympathetic toward the uninsured."); *Save Barton Creek Assn v. Federal Highway Admin.*, 950 F.2d 1129, 1144 (5th Cir. 1992) ("This Court does not 'condone any form of subterfuge.'"); *In re Franklin*, 922 F.2d 536, 539 (9th Cir. 1991) ("It would be wrong to apply a bar of recovery against plaintiff based upon a statute relating to a transaction that was fraudulently induced.

To do so would be to condone the fraud. The law cannot condone such a result and it doesn't."); *United States v. State of California*, 932 F.2d 1346, 1350 (9th Cir. 1991) ("At the heart of an action based on quasi-contract lies a claim of unjust enrichment and such quasi-contract liability is dictated by the needs of justice and fairness.")

An industrial society can remain healthy only with rigorous enforcement of business ethics; and indeed this is the foundation of the common law of commerce. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481-82 (1974) ("'The necessity of good faith and honest, fair dealing, is the very life and spirit of the commercial world.'") (quoting *National Tube Co. v. Eastern Tube Co.*, 3 Ohio C.C. (n. s.) 459, 462 (Ohio 5th Cir. 1902)); *Burten v. Milton Bradley Co.*, 763 F.2d 461, 467, 226 USPQ 605, 610 (1st Cir. 1985) ("Fundamental to this, we believe, is the expectation by the parties that, absent an explicit waiver, the exchange of ideas will take place in trust and confidence. Were this not the case, we are hard pressed to understand why experienced and informed inventors would submit their ideas for consideration and thereby waive all rights to compensation for their labor.")

The facts as set forth in the majority opinion do not reflect well on the Ford Motor Company. Mr. Waner offered to sell them his idea for fender liners; they were interested; they then told him they were not interested, and proceeded to take his idea and place its embodiment on their vehicles. These facts must be accepted as true for the purposes of summary judgment. Any exculpatory circumstances have not been developed, for the record before us shows simply that

Ford took Waner's idea for fender liners, after receiving and evaluating his sample products, and refused to pay for this benefit. If there are mitigating facts favoring Ford (for example, if Ford had already designed and was planning to introduce a similar fender liner, or if Waner had signed a disclaimer of all rights other than patent rights) they do not show on this record. It may be that there are exculpatory circumstances, but that is not the question before us, where the cause was summarily dismissed. This is not a case of simply copying an item in the public domain, as in *Bonito Boats, Inc. v. Thundercraft Boats, Inc.*, 489 U.S. 141 (1989), on which the panel majority inaptly relies.

A cause of action for unjust enrichment does not require that the thing taken was a trade secret. *See Restatement, Restitution* §1 cmt. b ("A person confers a benefit upon another if he gives to the other possession or some other interest in money, land, chattels, or chooses in action, performs services beneficial to or at the request of the other, satisfies a debt or a duty of the other, or in any way adds to the other's security or advantage.") For example, in *B & M Die Co.* the technical information upon which the unjust enrichment claim was based was not a trade secret under Michigan law, yet the trial court permitted the unjust enrichment claim to go forward and the appellate court described the two causes of action as separate and distinct. *B & M Die Co.*, 421 N.W.2d at 623 ("As Ford indicates, plaintiff's technical information was not a 'trade secret' under Michigan law. However, the jury could properly consider under a claim of unjust enrichment the value of the benefit received by Ford as a result of having this technical information.") (citing *Manos v Melton*, 100 N.W.2d 235 (Mich. 1960)).

Appendix A

The issue before us is not who would prevail when all the evidence is presented. The issue is whether Waner's complaint for unjust enrichment should be thrown out on the pleadings. The majority achieves this result by first recasting the complaint as one for theft of trade secrets, and then holding that since this idea was not guarded as a trade secret (because the fender liners were publicly demonstrated by Waner, and because he told Ford about them in order to interest Ford in buying them) Waner cannot recover on trade secret theory. On this threshold premise the majority errs, for, as I have stated, the cause of unjust enrichment is not limited to theft of a trade secret.

APPENDIX B — MEMORANDUM OPINION AND ORDER CONSTRUING CLAIM OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH DAKOTA, WESTERN DIVISION DATED AND FILED AUGUST 30, 2000

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH DAKOTA
WESTERN DIVISION

Civ. 98-5061-KES
2000 DSD 40

ALAN WANER,

Plaintiff,

vs.

FORD MOTOR COMPANY,

Defendant.

MEMORANDUM OPINION AND ORDER CONSTRUING CLAIM

Plaintiff Alan Waner, owner of U.S. Patent No. 5,613,710, brings a patent infringement claim against defendant Ford Motor Company. A *Markman* hearing was held on August 3, 2000. The parties presented evidence and argument on claims 1 and 4 of the '710 patent.

Appendix B

The '710 patent, entitled "Dual Rear Wheel Fender Liner," was issued March 25, 1997, to plaintiff. The '710 patent relates to a fender liner for a dual-wheel fender that is strategically located in the fender to guard against star cracking of the paint on the fender.

Determination of infringement is a two-step analytic procedure, beginning with claim construction, in which the claims are first construed by the court "as a matter of law, and then are applied to the accused device, a question of fact." *Wang Labs., Inc. v. America Online, Inc.*, 197 F.3d 1377, 1380, 53 U.S.P.Q.2d 1161 (Fed. Cir. 1999) (citing *EMI Group North America, Inc. v. Intel Corp.*, 157 F.3d 887, 891, 48 U.S.P.Q.2d 1181, 1184 (Fed. Cir. 1998)).

In construing the claims, the court must first consider the intrinsic evidence, including the claims themselves, the patent specification (also referred to as the written description), and the prosecution history of the patent. *Digital Biometrics, Inc. v. Identix, Inc.*, 149 F.3d 1335, 1344, 47 U.S.P.Q.2d 1418 (Fed. Cir. 1998); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979, 34 U.S.P.Q.2d 1321 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370, 116 S. Ct. 1384, 134 L. Ed. 2d 577, 38 U.S.P.Q.2d 1461 (1996). The actual words of the claim are controlling, the specification is secondary, and the prosecution history is tertiary. *See Digital Biometrics, Inc.*, 149 F.3d at 1344.

Claim construction begins with the language of the claims, which defines the breadth and depth and bounds of the claims. *York Prods., Inc. v. Central Tractor Farm & Family Ctr.*, 99 F.3d 1568, 1572, 40 U.S.P.Q.2d 1619 (Fed.

Cir. 1996). The general rule is that terms are to be given their ordinary and accustomed meaning unless it is apparent that the inventor intended to use them differently. *Johnson Worldwide Assoc., Inc. v. Zebco Corp.*, 175 F.3d 985, 989, 50 U.S.P.Q.2d 1607 (Fed. Cir. 1999); *National Recovery Tech., Inc. v. Magnetic Separation Sys., Inc.*, 166 F.3d 1190, 49 U.S.P.Q.2d 1671 (Fed. Cir. 1999).

Two general rules of claim construction result in presumptions regarding claim breadth. The first is that a claim should be interpreted so as to preserve its validity. *See Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 37 U.S.P.Q.2d 1609 (Fed. Cir. 1996). However, this presumption does not allow the court to engage in the wholesale rewriting of claims. *See Rhine v. Casio, Inc.*, 183 F.3d 1342, 51 U.S.P.Q.2d 1377 (Fed. Cir. 1999). The second presumption is that if a claim is subject to two viable alternative interpretations, the narrower one should apply. *See Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 37 U.S.P.Q.2d 1365 (Fed. Cir. 1996). This rule has been explained as a penalty for unclear drafting, as well as a reasonable "tiebreaker" when viewed from the perspective of public policy. *Id.*

If claim language is not dispositive, the court considers the specification of the '710 patent to determine if "the inventor has used any terms in a manner inconsistent with their ordinary meaning." *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 39 U.S.P.Q.2d 1573 (Fed. Cir. 1996). The court "may look to the written description to define a term already in a claim limitation, for a claim must be read in view of the specification of which it is a part."

Renishaw PLC v. MaMoss Societa' per Azioni, 158 F.3d 1243, 1248, 48 U.S.P.Q.2d 1117 (Fed. Cir. 1998); *Markman*, 52 F.3d at 979. "However, the resulting claim interpretation must, in the end, accord with the words chosen by the patentee to stake out the boundary of the claimed property." *Renishaw*, 158 F.3d at 1248; *Intervet America, Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050, 1053, 12 U.S.P.Q.2d 1474 (Fed. Cir. 1989) ("Limitations appearing in the specification will not [normally] be read into claims . . . [i]nterpreting what is meant by a word in a claim is not to be confused with adding an extraneous limitation appearing in the specification, which is improper.") "[T]he specification is always highly relevant to the claim construction analysis" and "must be clear and complete enough to enable those of ordinary skill in the art to make and use [the invention]." *Id.* The specification is the "single best guide to the meaning of a disputed term," and it is frequently dispositive. *Id.*

Finally, the court should also consider the patent's prosecution history in construing the claims. *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378, 49 U.S.P.Q.2d 1065 (Fed. Cir. 1998). "The prosecution history gives insight into what the applicant originally claimed as the invention, and often what the applicant gave up in order to meet the Examiner's objection." *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 977, 52 U.S.P.Q.2d 1109 (Fed. Cir. 1999) (quoting *Lemelson v. General Mills. Inc.*, 968 F.2d 1202, 1206, 23 U.S.P.Q.2d 1284, 1288 (Fed. Cir. 1992)). It also "limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed or disavowed during the prosecution in order to obtain claim allowance." *Elkay Mfg.*, 192 F.3d at 977 (quoting *J.T. Eaton & Co. v.*

Appendix B

Atlantic Paste & Glue Co., 106 F.3d 1563, 1565, 41 U.S.P.Q.2d 1641, 1642 (Fed. Cir. 1997)). The prosecution history cannot be used, however, to enlarge, diminish, or vary the limitations in the claims. *Markman*, 52 F.3d at 980.

In construing the claim, the court may also consider extrinsic evidence such as expert and inventor testimony, dictionaries, learned treatises, and prior art not cited in the prosecution history. *Zodiac Pool Care, Inc. v. Hoffinger Indus. Inc.*, 206 F.3d 1408, 1414, 54 U.S.P.Q.2d 1141 (Fed. Cir. 2000). Extrinsic evidence should be considered only "when the intrinsic evidence is insufficient to establish the clear meaning of the asserted claim." *Id.*

The claims at issue, with the disputed terms underlined and letters[1] inserted to correspond with the joint claim statement, are as follows:

Claim 1:

> A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising

1. Letters [a] through [c] are omitted per defendant's decision to no longer seek an interpretation of terms in the preamble. See Brief in Support of Defendant's Proposed Claim Construction, page 4, note 1.

Appendix B

an elongated flat panel made of sheet material with **[d]** *an inboard side flange*, said flat panel **[e]** *running substantially the length and breadth of the flat top, and suited to be installed inside the fender along the flat top,*

said fender liner **[f]** *adapted to be attached to the angled brackets* along the inboard side flange of the fender liner [g] *by the bolts attaching the fender to the vehicle along the top of the fender,*

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

Claim 4:

A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising

Appendix B

an elongated flat panel made of sheet material with *an inboard side flange* and *an outboard side flange* running the length of the panel, *said flat panel running substantially the length and breadth of the flat top and suited to be installed inside the fender along the flat top,*

said fender liner *adapted to be attached to the angled brackets* along the inboard side flange of the fender liner *by the bolts attaching the fender to the vehicle along the top of the fender* said *outboard side flange angled downwardly a short distance* and suited to be installed inside the fender along the outboard side of the fender

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

Claims 1 and 4 are identical except that claim 4 adds the pertinent language "and an outboard side flange running the length of the panel" and "outboard side flange angled downwardly a short distance." Although the parties agree that the terms common to claims 1 and 4 are to be given the same interpretation in each claim, separate claims are presumed to indicate that the claims have different meanings and scope. *Karlin Tech. Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72, 50 U.S.P.Q.2d 1465 (Fed. Cir. 1999).

Appendix B

CONSTRUCTION OF CLAIM 1

The first phrase requiring interpretation is "an inboard side flange," labeled [d] in the joint claim construction statement. Defendant asks the court to construe the '710 patent to require an inboard side flange and contends that the court should interpret "flange" to mean one surface of an object at a distinct angle to another surface since the patent gives no special meaning to the word "flange." Defendant argues that the liner must have a large flat panel bordered by at least one distinct flange and that the flange must be present in the liner before installation on the fender. Defendant indicates that the large flat panel (36) and the flanges (40 and 46) are clearly shown in Figures 1 and 2 of the patent and that the specification, in column 3, lines 1-2 and 9-13, confirms the description of the flanges. In addition, defendant suggests that the specification indicates that "the inboard side flange 'is preferably in about a 5-degree angle to the plane within which flat panel 36 lies' and that the outward side flange is 'angled downwardly a short distance along outboard side 22 of fender 16, most preferably at an angle of about 35 degrees to the plane of the flat panel [36].'" Brief in Support of Defendant's Proposed Claim Construction, p. 12.

Plaintiff acknowledges that claims 1 and 4 of the patent literally require an inboard side flange. However, plaintiff asks the court to construe the '710 patent so as to not require that a flange exist prior to installation of the liner, arguing that the liner is "adapted to be attached" to a fender and not used alone. Plaintiff contends that the flange may be formed upon installation. In addition, plaintiff urges the court to give "flange" its ordinary and customary meaning.

Appendix B

The court must begin with the language of the claim itself. See *Johnson Worldwide*, 175 F.3d at 989. There is a "heavy presumption" that courts "give full effect to the ordinary and accustomed meaning of claim terms" except where a different meaning is clearly set forth in the specification or where the accustomed meaning would deprive the claim of clarity. *Id.* at 989-90; *Renishaw PLC v. Marposs Societa per Azioni*, 158 F.3d 1243, 1249 (Fed. Cir. 1998). Furthermore, "a technical term used in a patent is interpreted as having the meaning that it would be given by persons experienced in the field of the invention, unless it is apparent from the patent and the prosecution history that the inventor used the term with a different meaning." *Toro v. White Consol. Indus., Inc.*, 199 F.3d 1295, 53 U.S.P.Q.2d 1065 (Fed. Cir. 1999) (quoting *Hoechst Celanese Corp. v. BP Chem, Ltd.*, 78 F.3d 1575, 1578, 38 U.S.P.Q.2d 1126 (Fed. Cir. 1996)). However, a patentee can act as his own lexicographer to specifically define terms of a claim contrary to their ordinary meaning if the written description clearly redefines a claim term "so as to put a reasonable competitor or one reasonably skilled in the art on notice that the patentee intended to so redefine that claim term." *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1357, 52 U.S.P.Q.2d 1029 (Fed. Cir. 1999). Absent an express intent to impart a novel meaning, claim terms take on their ordinary meaning. *See Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 U.S.P.Q.2d 1117(Fed. Cir.1998).

The day after the *Markman* hearing, defendant forwarded the *Toro* case to the court, indicating it was in response to plaintiff's "new reliance on dictionary definitions for the word 'flange.'" The *Toro* court indicates that in patent claim

construction, dictionaries are "less useful" and that "[d]etermining the limits of a patent claim requires understanding its terms in the context in which they were used by the inventor, considered by the examiner, and understood in the field of the invention." *Toro*, 199 F.3d at 1299. Numerous Federal Circuit Court of Appeals cases decided after the *Toro* decision, however, reaffirm that claim terms receive their ordinary and customary meaning unless the patentee assigns a special meaning. *See Optical Disc. Corp. v. Del Mar Avionics*, 208 F.3d 1324, 1334, 54 U.S.P.Q.2d 1289 (Fed. Cir. 2000); *Cortland Line Co. v. Orvis Co.*, 203 F.3d 1351, 1356 (Fed. Cir. 2000); *Eisenberg v. Alimed, Inc.*, 2000 WL 1119743 (Fed. Cir 2000); *Schering Corp. v. Amgen, Inc.*, 2000 WL 1055975, 55 U.S.P.Q.2d 1650 (Fed. Cir. 2000); *Tate Access Floors, Inc. v. Maxcess Tech., Inc.*, 2000 WL 1055981, 55 U.S.P.Q.2d 1513 (Fed. Cir. 2000); *Northern Telecom Ltd. v. Samsung Elecs. Co.*, 215 F.3d 1281, 55 U.S.P.Q.2d 1065 (Fed. Cir. 2000); *American Imaging Servs., Inc. v. Intergraph Corp.*, 2000 WL 772725 (Fed. Cir. 2000); *IMS Tech., Inc. v. Haas Automation, Inc.*, 206 F.3d 1422, 54 U.S.P.Q.2d 1129 (Fed. Cir. 2000); *Stairmaster Sports/Medical Prods. Inc. v. Groupe Procycle, Inc.*, 2000 WL 286066 (Fed. Cir. 2000); *Mitek Surgical Products, Inc. v. Arthrex, Inc.*, 2000 WL 217637 (Fed. Cir. 2000). In several cases, the court specifically relies on Webster's dictionary definition in claim construction. *See Optical*, 208 F.3d at 1335; (quoting *Vitonics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 U.S.P.Q.2d 1573, 1576 (Fed. Cir. 1996). ("Although . . . dictionaries fall within the category of extrinsic evidence, as they do not form a part of an integrated patent document, they are worthy of special note. Judges . . . may . . . rely on dictionary definitions when construing claim

terms, so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents."); *Cortland*, 203 F.3d at 1356. Few cases limit the court to giving claim terms their ordinary and accustomed meaning "as understood by one of ordinary skill in the art." *See Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 2000 WL 1035753, 55 U.S.P.Q.2d 1487 (Fed. Cir. 2000); *Elekta Instr. S.A. v. O.U.R. Scientific Int'l, Inc.*, 214 F.3d 1302, 54 U.S.P.Q.2d 1910 (Fed. Cir. 2000).

At the hearing, the parties presented extrinsic evidence regarding the meaning of "flange." Dr. Alan McDonald testified as an expert on behalf of plaintiff. Dr. McDonald has a Ph.D. degree in mechanical engineering, is a registered Professional Engineer, and taught undergraduate courses in the field of mechanical engineering at Purdue University from 1967 through 1999. Dr. McDonald testified that a flange "is the portion of a structure to either stiffen or attach it to another structure, not necessarily requiring angles." Plaintiff also introduced the following definitions of "flange": "[A] rib or rim for strength, for guiding, or for attachment to another object." MERRIAM-WEBSTER'S COLLEGIATE ONLINE DICTIONARY. "A projecting rim or edge of a part, usually narrow and of approximately constant width for stiffening or fastening." INDUSTRIAL ENGINEERING TERMINOLOGY (revised 1989). "A projecting flat rim, collar, or rib, used to strengthen an object, to guide it, to keep it in place, to facilitate its attachment to another object, or for other purposes." THE OXFORD ENGLISH DICTIONARY.

David Jeshurun testified on behalf of defendant. Mr. Jeshurun has masters degrees in business administration

and science and mechanical engineering, and has been employed by defendant since 1978 in various positions, such as a body engineering launch leader, body structures supervisor, pre-program design supervisor, value engineering team leader, product design engineer, product change analyst, and product development engineer. Mr. Jeshurun testified that a flange is a surface angled at a distinct angle with a flat surface, that it has a "definite change in the surface" at the edge of the panel, that it has a "consistent height," and has a "clearly identifiable" crease or break-line.

Neither party argued that "flange" is a technical term. Neither the patent, the specification, nor the prosecution history indicate that "an inboard side flange" should be given anything other than its ordinary meaning. Therefore, the court finds that the intrinsic evidence is insufficient to establish clear meaning of the asserted claim and will consider the extrinsic evidence presented. In addition, the court assumes that in proffering the *Toro* case, defendant would argue that the court must give the term its ordinary meaning "as understood by one of ordinary skill in the art." At the hearing, Dr. McDonald testified that although he had more than ordinary skill in the art, his testimony would be from the viewpoint of one of ordinary skill in the art. In his opinion, a flange is the portion of a structure to either stiffen or attach it to another structure, not necessarily requiring angles. The dictionary definitions admitted into evidence, including the Industrial Engineering Terminology definition which the court also finds is from the viewpoint of one of ordinary skill in the art, support Dr. McDonald's definition. Mr. Jeshurun's definition, although considered from the viewpoint of one of ordinary skill in the art, is not supported

by any additional evidence offered by defendant, nor is it consistent with any other evidence presented. After considering the evidence presented at the *Markman* hearing, the patent document in conjunction with the patent specification and the prosecution history, the court finds that "flange," given its ordinary meaning, means the portion of a structure to either stiffen or attach it to another structure, not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles. In addition, the court finds that nothing in the claim, the specification, or the prosecution history requires that the flange exist prior to installation of the liner. In claim 4 the liner clearly must be considered after installation (see discussion below), which is another indication that in construing claim 1 the flange need only exist after installation.

The parties also disagree regarding the meaning of the word "inboard." No evidence was presented on the definition of "inboard" at the *Markman* hearing. The court finds that the intrinsic evidence is insufficient to establish clear meaning of the asserted claim and will consider extrinsic evidence. Therefore, the court finds that "inboard" means "toward the center line of a vehicle." MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 586 (10th ed. 1999).

The second phrase, labeled as [e], requiring interpretation is "running substantially the length and breadth of the flat top and suited to be installed inside the fender along the flat top." Defendant contends that this phrase is a limitation placed upon the liner so that the liner, as patented, only covers and protects the top of the fender. Defendant indicates that

plaintiff made it clear in the specification that front and rear liners are undesirable for plaintiff's purposes and suggests that the court's claim construction must so reflect.

Plaintiff contends that the liner is suited to be installed inside the fender along the flat top, but need not be limited thereto and that the claim should not be narrowed by defendant's suggested limitation. The court agrees, finding no such limitation in the claim itself.

The third phrase, labeled as [f], requiring interpretation is "adapted to be attached to the angled brackets." Defendant argues that it is critical that prior to installation, the liner must have some type of adaptations, such as dimples, for attachment to angled brackets and that the adaptations must be present before installation of the liner in a fender.

Plaintiff argues that defendant is lifting a specific detailed component of the preferred embodiment, "dimples," and improperly inserting it into the broad claims 1 and 4. Plaintiff contends that there is a factual dispute, not a legal dispute, as to whether Ford's liner is adapted to be attached to the angled brackets. Dr. McDonald testified that "adapted to be attached" means the liner is designed to be adapted to the fender and that no additional physical structures are required. Defendant argues that "adapted to be attached to the angled brackets" must be construed to require a formed adaptation on the liner itself to accommodate the brackets, such as the dimples. Neither party offered a definition of "adapted" without utilizing "adapt," "adapted" or "adaptation." Furthermore, "adapted" has not been specifically defined by plaintiff in the patent, nor do the specification or prosecution

history establish clear meaning of "adapted." Therefore, the court will consider extrinsic evidence and assign "adapted" its ordinary meaning which is "to make fit, often by modification." MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 13 (10th ed.1999).

In addition, the court finds that claims 1 and 4 do not require "dimples" as the method for adaptation for attachment as suggested in the preferred embodiment and in claim 6. The claims of a patent are not "limited by preferred embodiments." *CVI/Beta Ventures v. Tura LP*, 112 F.3d 1146, 1158, 42 U.S.P.Q.2d 1577 (Fed. Cir. 1997), *cert. denied*, 522 U.S. 1109, 118 S. Ct. 1039, 140 L. Ed. 2d 105 (1998). Moreover, "[t]hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims." *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 957, 220 U.S.P.Q. 592 (Fed. Cir. 1983). On the contrary, the specification must be sufficiently explicit and complete to enable one skilled in the art to practice the invention, while a claim defines only that which the patentee regards as his invention. *Environmental Designs, Ltd. v. Union Oil Co. of California*, 713 F.2d 693, 699, 218 U.S.P.Q. 865 (Fed. Cir. 1983). *See also* 35 U.S.C. § 112. The claim, not the specification, measures the invention. *Id.* Furthermore, the doctrine of claim differentiation also supports a construction of "adapted to be attached to the angled brackets" that is not limited to the ribs or "dimples" as described in claim 6 and in the preferred embodiment. "This doctrine, based on the common sense notion that different words or phrases used in separate claims are presumed to indicate that the claims have different meaning and scope." *Karlin Tech., Inc. v. Surgical Dynamics*,

Inc., 177 F.3d 968 (Fed. Cir. 1999) (citing *Comark Comm., Inc. v. Harris Corp.*, 156 F.3d 1182, 1187, 48 U.S.P.Q.2d 1001, 1005 (Fed. Cir. 1998)).

The fourth phrase, labeled as [g], requiring interpretation is "by the bolts attaching the fender to the vehicle along the top of the fender." Defendant urges the court to construe this phrase to mean that the same bolts that attach the top of the fender to the truck must be used to attach the liner to the fender.

Plaintiff argues that he does not claim the bolts and that the fender liner must only be adapted to be attached by the bolts. Plaintiff indicates that defendant is seeking to add a limitation that is not present in the claim. The court finds that the liner must only be adapted to be attached by the bolts.

CONSTRUCTION OF CLAIM 4

Claims 1 and 4 are identical except that claim 4 adds the pertinent language "and an outboard side flange running the length of the panel" and "outboard side flange angled downwardly a short distance." The parties agree that the terms common to claims 1 and 4 are to be given the same interpretation in each claim. Therefore, the court will only construe the remaining phrase, labeled [i].

The additional phrase in claim 4 requiring interpretation, labeled as [i], is "outboard side flange angled downwardly a short distance." Plaintiff contends that there is a factual dispute as to whether Ford's liner has the claimed flange, but that it is a factual issue of infringement. Defendant argues

that prior to installation, the liner must have an outboard side flange that is angled from the body of the liner.

The court finds that "flange" will be given the same meaning as was given to it in claim 1, that is "the portion of a structure to either stiffen or attach it to another structure," not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles. Claim 4 specifically includes the language "angled downwardly," however, and therefore, the court finds that the flange must exhibit some downward angle. Prior to installation it is impossible to determine whether the angle of the flange is upward or downward. Therefore, the court finds that the downward angle is required only after installation of the liner.

PROSECUTION HISTORY

The remaining piece of evidence to consider is the prosecution history. *Amhil Enterprises Ltd. v. Wawa, Inc.*, 81 F.3d 1554, 1559-60, 38 U.S.P.Q.2d 1471 (Fed. Cir. 1996). "Although the prosecution history can and should be used to understand the language used in the claims, it too cannot 'enlarge, diminish, or vary' the limitations in the claims." *Markman*, 52 F.3d at 980 (quoting *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222, 227, 26 L. Ed. 149 (1880); *Intervet Am., Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050, 1054 (Fed. Cir. 1989). "[T]he prosecution history or file wrapper limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed during prosecution in order to obtain claim allowance." *J.T. Eaton & Co. v. Atlantic Paste & Glue Co.*, 106 F.3d 1563,

1565, 41 USPQ2d 1641, 1642 (Fed. Cir. 1997). "Claims may not be construed one way in order to obtain their allowance and in a different way against accused infringers." *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d at 1378 (quoting *Southwall Techs. Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576, 34 U.S.P.Q.2d 1673 (Fed. Cir. 1995)). Defendant asserts that the prosecution history of the patent shows that Waner limited his claims to an uninstalled liner. Plaintiff contends that his invention is only the fender liner, but that it does not mean that the flanges cannot be formed upon installation.

A review of the prosecution history of the '710 patent reveals that the U.S. Patent and Trademark Office initially rejected claims 1 through 10 of plaintiff's first application for a patent as being indefinite for failing to particularly point out and distinctly claim the subject matter which plaintiff regarded as the invention. Specifically, in claims 1 and 4, the claims at issue, the examiner found the scope of the claim to be confusing as to whether the combination of the fender and fender liner or subcombination fender liner was intended. To overcome this rejection, plaintiff clarified that it is the fender liner, not the liner and fender that is his invention.

Plaintiff also amended claims 1 and 4 to include "mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of" and "through the angled brackets. . . ." Plaintiff also changed the phrase "making attachment" to "mounted . . . to a rear quarter panel of a vehicle." The amendments added to the invention the mounting of the liner to the angled brackets. Plaintiff distinguished his liner from the Fuchs and Whitton patents cited by the examiner by indicating that neither the Fuchs

nor Whitton patents attached with angled brackets and neither attached outside of the normal wheel well. This clarification resulted in the allowance of the claims. Furthermore, because plaintiff inserted the language "mounted on angle brackets" and "mounted . . . to a rear quarter panel," it is clear that the fender must be mounted, thus the flange need only exist after installation. Therefore, the court finds that the liner must attach to the angled brackets of the fender and that the fender must be viewed after installation.

CONCLUSION

Based upon the claims, the specification language and the prosecution history, the Waner patent is construed as follows with regard to claims 1 and 4:

1. The patent is not limited to the liners as it appears uninstalled.

2. The patent does not require a flange to be formed prior to installation of the liner.

3. The patent does not require that the flange form a five-degree angle when installed.

4. The patent does not limit the fender liner to the flat top of the fender.

5. The patent does not require, prior to installation, some type of adaption such as dimples.

6. The patent does not require that the liner be attached by the same bolts that attach the top of the fender to the truck.

7. The patent does require that the liner be adapted to be attached by the bolts.

8. The patent does require the fender liner to be attached to the angled brackets.

The patent is construed as follows with regard to claim 4:

1. The patent does require that the outboard side flange must exhibit some downward angle, but the angle is required only after installation of the liner.

The court determines this as a matter of law. This ruling is binding on subsequent proceedings in this lawsuit consistent with the holding in *Markman*, 517 U.S. at 370.

Accordingly, it is hereby

ORDERED that expert depositions must be completed on or before September 29, 2000.

IT IS FURTHER ORDERED that any summary judgment motion must be filed on or before October 27, 2000.

IT IS FURTHER ORDERED that the non-moving party to the summary judgment motion shall respond on or before November 24, 2000.

Appendix B

IT IS FURTHER ORDERED that any reply must be filed on or before December 4, 2000.

Dated August 30, 2000.

BY THE COURT:

s/ Karen E. Schreier
KAREN E. SCHREIER
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING DATED AND FILED JULY 11, 2003

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

02-1184, -1185

ALAN WANER,

Plaintiff-Cross Appellant,

v.

FORD MOTOR COMPANY,

Defendant-Appellant.

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the CROSS-APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

Appendix C

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on July 18, 2003.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: July 11, 2003

APPENDIX D — JURY INSTRUCTION: INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

INSTRUCTION NO. *14*

INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

If you decide that Ford's fender liner does not literally infringe an asserted patent claim, you must then decide whether that fender liner infringes the asserted claim under what is called the "doctrine of equivalents."

Under the doctrine of equivalents, the fender liner can infringe an asserted patent claim if it includes parts that are equivalent to the elements of the claim. If the fender liner is missing an identical or equivalent part to even one element of the asserted patent claim, the fender liner cannot infringe the claim under the doctrine of equivalents. Thus, in making your decision under the doctrine of equivalents, you must look at each individual element of the asserted patent claim and decide whether the fender liner has an identical or equivalent part to that individual claim element.

A part of a product is equivalent to an element of an asserted claim if the differences between the part and the element would be considered not substantial by a person of ordinary skill in the field at the time of the alleged infringement.

One way to decide whether any difference between an element of an asserted claim and a part of the fender liner is not substantial is to consider whether, as of the time of the alleged infringement, the part of the fender liner performed

substantially the same function in substantially the same way to achieve substantially the same result as the element in the patent claim.

In deciding whether any difference between a claim element and the Ford fender liner is not substantial, you may consider whether, at the time of the alleged infringement, persons of ordinary skill in the field would have known of the interchangeability of the part with the claimed element. The known interchangeability between the claim element and the part of the fender liner is not necessary to find infringement under the doctrine of equivalents. Known interchangeability, however, may support a conclusion that the difference between the part in the fender liner and the claim element is not substantial. The fact that a part of the fender liner performs the same function as the claim element is not, by itself, sufficient to demonstrate known interchangeability.

Application of the doctrine of equivalents is the exception, not the rule. Patent claims must give the public fair notice of what was patented, so others can avoid infringing the patent by designing around the claims. On the other hand, the patent holder should not be deprived of the benefits of its patent by others who use the essence of an invention while barely avoiding the literal language of the patent claims.

You may not use the doctrine of equivalents to find infringement if you find that Ford's fender liner is the same as what was in the prior art before the application for the '710 patent or what would have been obvious to persons of

ordinary skill in the field in light of what was in the prior art. A patent holder may not obtain, under the doctrine of equivalents, protection that it could not have lawfully obtained from the Patent and Trademark Office. Waner must prove to you that what he attempts to cover under the doctrine of equivalents was not in or would not have been obvious from the prior art.

No. 03-563

IN THE

Supreme Court of the United States

ALAN WANER,

Petitioner,

v.

FORD MOTOR COMPANY,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

ERNIE L. BROOKS
Counsel of Record
THOMAS A. LEWRY
FRANK A. ANGILERI
BROOKS KUSHMAN P.C.
1000 Town Center
Twenty-Second Floor
Southfield, MI 48075
(248) 358-4400

Attorneys for Respondent

184642

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

RESPONDENT'S STATEMENT OF THE QUESTIONS PRESENTED

1. Whether Petitioner's request that this Court review the Federal Circuit's *de novo* review of claim construction seeks an advisory opinion, because the Federal Circuit did not resolve any conflicting factual evidence in reaching its construction.

2. Whether Petitioner's request that this Court review the Federal Circuit's JMOL of non-infringement seeks an advisory opinion, because there were no factual disputes concerning the nature of the accused product, and the accused product does not meet the claims as construed by the Federal Circuit.

3. Whether the Federal Circuit properly held that federal patent policy preempts and bars a state law unjust enrichment claim that is based on unpatented subject matter that Petitioner freely disclosed to the public.

STATEMENT PURSUANT TO RULE 29.6

Respondent, Ford Motor Company, has no parent corporation and no publicly held company owns 10% or more of its stock.

TABLE OF CONTENTS

	Page
Respondent's Statement of the Questions Presented	i
Statement Pursuant to Rule 29.6	ii
Table of Contents	iii
Table of Cited Authorities	iv
Summary of Opposition	1
Reasons for Denying the Petition	2
A. The Federal Circuit Was Correct In Construing The Claim Of The Patent-In-Suit *De Novo*	2
B. The Federal Circuit Was Correct In Ordering JMOL Of Non-Infringement	5
C. The Federal Circuit Was Correct In Holding The Petitioner's State Law Unjust Enrichment Claim Is Preempted By Federal Law, Because The State Law Claim Is Based On Unpatented Ideas That The Petitioner Publicly Disclosed	7
Conclusion	10

TABLE OF CITED AUTHORITIES

Page

CASES

Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,
489 U.S. 141 (1989) ..... *passim*

Lambrix v. Singletary,
520 U.S. 518 (1997) 5, 6

Markman v. Westview Instruments, Inc.,
517 U.S. 370 (1996) 4, 5

SUMMARY OF OPPOSITION

The Petitioner raises three issues. For the first two issues, Petitioner seeks an advisory opinion — the issues have nothing to do with the facts of this case. The third issue was resolved against Petitioner in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

Petitioner's first issue — that the Federal Circuit is improperly "reviewing claim construction *de novo*, even on matters that involve questions of fact" — has nothing to do with this case because the Federal Circuit's claim construction in this case did not resolve any question of fact. The Federal Circuit did not even consider expert testimony, let alone resolve competing expert testimony or address credibility issues.

Petitioner's second issue — that the Federal Circuit "depriv[ed] Waner of the opportunity to present evidence of infringement based on the Federal Circuit's claim construction" — also has nothing to do with this case because Petitioner has not identified and cannot identify any evidence of infringement that it would present on remand. The nature of the accused device is simple and undisputed — a flat piece of plastic used as a fender liner for pickup trucks. Based on the undisputed nature of the accused device, it does not meet the claims as construed by the Federal Circuit. To the extent remand might be useful in some other cases, it would be a waste of time here.

Petitioner's third issue — whether the Federal Circuit correctly "refused to allow [Petitioner's] state law claim of unjust enrichment to proceed" — was resolved in *Bonito Boats*. It is undisputed that Petitioner's state law

unjust enrichment claim is based on Respondent's alleged use of ideas that are unpatented and publicly known. This Court held in *Bonito Boats* that such unpatented, publicly known ideas are freely available to the public as a matter of federal law:

> We have long held that after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law. (Citations omitted.) . . .
>
> In our decisions in *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 84 S. Ct. 784, 11 L. Ed. 2d 661 (1964), and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S. Ct. 779, 11 L. Ed. 2d 669 (1964), we found that publicly known design and utilitarian ideas which were unprotected by patent occupied much the same position as the subject matter of an expired patent.

Bonito Boats, 489 U.S. at 152.

REASONS FOR DENYING THE PETITION

A. The Federal Circuit Was Correct In Construing The Claim Of The Patent-In-Suit *De Novo*

Petitioner's first argument to this Court is: "Certiorari Should Be Granted To Address The *De Novo* Scope Of Review Announced In *Cybor*." (Petition, p. 10.) Petitioner spends eight pages (10-17) on the abstract argument that the Federal Circuit's *de novo* standard of review for claim construction is improper because it allows for *de novo* review of fact questions. Yet Petitioner does not identify any

conflicting evidence resolved by the Federal Circuit in this case. Petition's sole reference to *this* case is a single paragraph:

> The disputed claim term here — "flange" — is a technical term of art, and under the Federal Circuit's own cases, technical terms must be construed through the eyes of skilled artisans. How a skilled artisan would view the meaning of the word "flange" in a particular context is a question of fact. The application of the patent claim language to the facts, as found, is ultimately a question of law; but there can be no denying that questions of fact are necessary to that ultimate inquiry. Clearly, the District Court recognized this, because it assessed the meaning of flange purely in factual terms and entered a detailed set of findings defining it. (App. 21a-41a). This is not to say that the Federal Circuit cannot review the meaning of terms *de novo* when the intrinsic record is sufficient. However, in this case, it is undisputed that reliance on extrinsic evidence is required.

(Petition, pp. 17-18.)

Petitioner's arguments are entirely conclusory. Further, it is not "undisputed that reliance on extrinsic evidence is required." Petitioner identifies no conflicting evidence, no fact resolution by the Federal Circuit — because it can't. The Federal Circuit's claim construction on the term "flange" was as follows:

> In this case, the term "flange" is not given a specific meaning in the intrinsic record. However,

> a dictionary definition is readily available: "flange, n. . . . 1. a raised or projecting edge, rib, or rim for strength, as in a T-rail; for guidance, as on a rail to keep wheels in place; for connection with some other object, as in some pipes; 2. a tool for making flanges." *Webster's New Twentieth Century Dictionary, Unabridged* 696 (2d ed. 1962). The specification and drawings of the '710 patent demonstrate that definition 1 most adequately represents what the inventor intended to claim in his invention. For example, Figures 1-3 illustrate a raised or projecting edge or rim. Further, the patent states "inboard side flange 40 may be integral with flat panel 36 and stiffened by bending it back upon itself. Inboard side flange 40 is preferably at about a 5 degree angle to the plane within which flat panel 36 lies." *See* '710 patent, col. 2, 1. 65-col. 3,1.2. Similarly, when describing an outboard flange the patent explains that the flange runs the length of the panel and is angled downward from the plane of the flat panel. *See Id.* at col. 3, ll. 8-12. There is nothing in the patent specification to indicate that the flange is coplanar with the flat panel. Accordingly, we construe the claim term "flange" to mean a raised or projecting edge.

(Petitioner's Appendix, pp. 6a-7a.)

The Federal Circuit did not even consider expert testimony, let alone resolve competing expert testimony or address credibility issues.[1]

---

1. The only fact question suggested by this Court in its *Markman* decision was the resolution of competing expert testimony, and this (Cont'd)

In short, the Federal Circuit did not resolve competing factual evidence to interpret the claims in *this* case. *De novo* review is entirely proper on the facts of this case, regardless of Petitioner's view of *Cybor*. Petitioner is seeking an advisory opinion regarding *Cybor*, and that is improper. *See Lambrix v. Singletary*, 520 U.S. 518, 522-23 (1997). The petition should be denied.

B. The Federal Circuit Was Correct In Ordering JMOL Of Non-Infringement

Petitioner also seeks an advisory opinion on its second issue. Petitioner again argues in the abstract that the Federal Circuit should not order JMOL of non-infringement when it changes the claim construction on appeal, because a plaintiff may present different evidence on remand. (Petition,

---

(Cont'd)

Court stated it was "doubtful that trial courts will run into many cases like that":

> It is, of course, true that credibility judgments have to be made about the experts who testify in patent cases, and in theory there could be a case in which a simple credibility judgment would suffice to choose between experts whose testimony was equally consistent with a patent's internal logic. But our own experience with document construction leaves us doubtful that trial courts will run into many cases like that. In the main, we expect, any credibility determinations will be subsumed within the necessarily sophisticated analysis of the whole document, required by the standard construction rule that a term can be defined only in a way that comports with the instrument as a whole.

Markman v. Westview Instruments, Inc., 517 U.S. 370, 389 (1996).

pp. 18-19.) But the Petitioner does not identify any different evidence that it would submit in this case. Again, Petitioner's arguments are conclusory and abstract:

> . . . assuming *arguendo* that the Federal Circuit properly construes a claim in a manner different than the District Court, the case should be remanded. On remand, the District Court may decide the case on summary judgment if the evidence is insufficient or there is no genuine dispute. However, it is a denial of litigants' right to a jury trial and Due Process for the Federal Circuit to assume that the evidence presented would not have differed in light of the newly construed claims. Therefore, the Federal Circuit can not rely on the settled record for the purposes of a judgment as a matter of law.

(Petition, p. 18.)

Petitioner does not identify any new evidence because it cannot. The accused device is very simple, and its nature is undisputed — it is a flat rectangular piece of plastic used as a fender liner. The patent claim requires a flange, and the Federal Circuit held that a "flange" is "a raised or projecting edge." There is no evidence, and Petitioner cannot offer any evidence, that a flat rectangular piece of plastic has "a raised or projecting edge." Therefore, Petitioner cannot prove infringement on remand.

Again, Petitioner's attempt to seek an advisory opinion is improper. *Lambrix*, 520 U.S. at 522-23. The Petition should be denied.

C. The Federal Circuit Was Correct In Holding The Petitioner's State Law Unjust Enrichment Claim Is Preempted By Federal Law, Because The State Law Claim Is Based On Unpatented Ideas That The Petitioner Publicly Disclosed

As a supplement to its patent infringement claim, Petitioner also asserted a catch-all, state law unjust enrichment claim in the trial court. Petitioner alleged that Respondent used unidentified, unpatented "ideas" in Respondent's accused fender liner. It is undisputed, however, that the "ideas" on which Petitioner's unjust enrichment claim was based were publicly disclosed by Petitioner. In *Bonito Boats*, this Court addressed at length, and rejected, the state law relief Petitioner seeks. This Court first discussed prior cases holding that unpatented, publicly known ideas are free for all to use:

> We have long held that after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law. *See Coats v. Merrick Thread Co.*, 149 U.S. 562, 572, 13 S. Ct. 966, 969, 37 L. Ed. 847 (1893) ("[P]laintiffs' right to the use of the embossed periphery expired with their patent, and the public had the same right to make use of it as if it had never been patented"); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 59 S. Ct. 109, 83 L. Ed. 73 (1938); *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 16 S. Ct. 1002, 41 L. Ed. 118 (1896). . . .
>
> In our decisions in *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 84 S. Ct. 784, 11 L. Ed. 2d

> 661 (1964), and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S. Ct. 779, 11 L. Ed. 2d 669 (1964), we found that publicly known design and utilitarian ideas which were unprotected by patent occupied much the same position as the subject matter of an expired patent.

Bonito Boats, 489 U.S. at 152.

This Court then explained how federal patent policy preempts any state law from protecting such unpatented, public ideas:

> At the heart of *Sears* and *Compco* is the conclusion that the efficient operation of the federal patent system depends upon substantially free trade in publicly known, unpatented design and utilitarian conceptions. . . .
>
> * * *
>
> A state law that substantially interferes with the enjoyment of an unpatented utilitarian or design conception which has been freely disclosed by its author to the public at large impermissibly contravenes the ultimate goal of public disclosure and use which is the centerpiece of federal patent policy.

Id. at 156-57.

Finally, this Court explained that parties such as Respondent have a federal right to copy and use such unpatented, public ideas:

> Where an item in general circulation is unprotected by patent, "[r]eproduction of a functional attribute is legitimate competitive activity." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 863, 102 S. Ct. 2182, 2193, 72 L. Ed. 2d 606 (1982) (WHITE, J., concurring in result). *See also Bailey v. Logan Square Typographers, Inc.*, 441 F.2d 47, 51 (CA7 1971) (Stevens, J.) ("[T]hat which is published may be freely copied as a matter of federal right").
>
> . . . For almost 100 years it has been well established that in the case of an expired patent, the federal patent laws do create a federal right to "copy and to use." *Sears* and *Compco* extended that rule to potentially patentable ideas which are fully exposed to the public.

Id. at 164-65.

Against this background, the Federal Circuit correctly held that Petitioner could not maintain a state law unjust enrichment claim in this case:

> Because there is no genuine issue of material fact that Waner's fender liner was introduced to and available to the public, we affirm the district court's grant of partial summary judgment on Waner's unjust enrichment claim in favor of Ford.

(Petitioner's Appendix, p. 12a.)

CONCLUSION

The Petitioner seeks two advisory opinions, and relief that this Court has already rejected. The petition should be denied.

Respectfully submitted,

ERNIE L. BROOKS
Counsel of Record
THOMAS A. LEWRY
FRANK A. ANGILERI
BROOKS KUSHMAN P.C.
1000 Town Center
Twenty-Second Floor
Southfield, MI 48075
(248) 358-4400

Attorneys for Respondent